



Butler University Digital Commons @ Butler University

[All Chapters](#)

[JMD Investments Supplement](#)

11-28-2012

Insider Trading

Steven D. Dolvin
sdolvin@butler.edu

Follow this and additional works at: <http://digitalcommons.butler.edu/jmdallchapters>



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

Dolvin, Steven D., "Insider Trading" (2012). *All Chapters*. Paper 48.
<http://digitalcommons.butler.edu/jmdallchapters/48>

This Blog Post is brought to you for free and open access by the JMD Investments Supplement at Digital Commons @ Butler University. It has been accepted for inclusion in All Chapters by an authorized administrator of Digital Commons @ Butler University. For more information, please contact fgaede@butler.edu.

JMDinvestments

Wednesday, November 28, 2012

Insider Trading

Insider trading (i.e., trading on material nonpublic information) is illegal. However, corporate executives are allowed to trade stock in the firms they manage. This is difficult to reconcile since these executives, in all likelihood, have such information. A recent study by the Wall Street Journal found that executives trading ahead of corporate earnings announcements earned substantially higher returns (or avoided substantially lower losses). [See article here.](#)

Related Chapters: Chapter 07